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COMMANDERS DIGEST

The New Look of CHAMPUS

Uniformed Services families have available to them an outstanding, comprehensive medical care program. It is called the Uniformed Services Health Benefits Program, or USHBP.

USHBP is actually two health delivery systems. The first involves care from Uniformed Services medical facilities. The other is the Civilian Health and Medical Program of the Uniformed Services, more commonly known as CHAMPUS.

CHAMPUS is a program under which the Government shares the cost of authorized medical care received from civilian sources by eligible beneficiaries. It consists of a Basic Program of medical benefits and a Program for the Handicapped.

On Dec. 7, 1956, the 84th Congress enacted the Dependents Medical Care Act which, among other things, authorized the Government to share the cost of limited medical care received from civilian sources by spouses and children of active duty Servicemembers.

In 1966, the original law was amended to extend benefits under the Basic Program to retired

A tiny hand encircles the doctor's finger inside an infant's life support system.

Servicemembers, spouses and children of retired Servicemembers, surviving spouses and children of deceased active duty Servicemembers, and surviving spouses and children of deceased retired Servicemembers. At the same time, a Program for the Handicapped was established for spouses and children of active duty Servicemembers, and both inpatient and outpatient benefits under the Basic Program were expanded.

A new, comprehensive regulation governing all aspects of CHAMPUS was published in the Federal Register on April 4, 1977. It spells out in detail such things as eligibility requirements, authorized benefits, and cost-share requirements.

It establishes and explains administrative procedures for appealing certain decisions that are made in administering benefits. Also included are policies and procedures for submission, review and payment of claims.

The regulation was designed to strengthen CHAMPUS and simplify its interpretation for beneficiaries, providers, claims processors and the Government.

Provisions of the regulation will be implemented on June 1, 1977, for outpatient services and supplies and new inpatient cases.

All ongoing inpatient cases will be reviewed on a case-by-case basis to determine whether or not the care being rendered meets the requirements of the regulation. Where it is determined that a case is not in compliance, beneficiaries will be given a 90 day notice before benefits are terminated. The earliest date any such notice will go out is Aug. 1, 1977.

The Director, Office of the Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS), is authorized to waive any requirement spelled out in the regulation provided that the requirement is not set forth specifically in any law governing the program. Such authority could be used, for example, to extend benefits

Photo by Don Carstens

DEFENSE NEWS BRIEFS

Sequoia Surplus

Defense Logistics Agency's Property Disposal Ships Sales Office opened bids May 18 at Portsmouth, Rhode Island, for the former presidential yacht Sequoia, which was turned over to the DLA office for public sale after President Carter said he did not need it.

★★★★

DoD Supports Special Pay Provision

DoD strongly supports legislation to make permanent the special pay provisions for reenlistment and enlistment bonuses and for other purposes. Vice Admiral John G. Finneran, Deputy Assistant Secretary of Defense (Military Personnel Policy), told a House Armed Services Subcommittee May 17, that the bill would give the Secretary of Defense the authority to terminate a member's entitlement to unpaid installments and to recoups a pro-rata share of advance bonus payments, if he fails to maintain adequate technical qualification for continued duty in the critical skill for which the bonus was being paid.

★★★★

Intelligence Oversight

Secretary of Defense Harold Brown has made public an internal Pentagon memo of three months standing, stressing that he places high priority on intelligence and counterintelligence activities of the Department but will not condone activities which violate or infringe on the Constitutional rights of United States citizens.

★★★★

FY 78 Ship Reductions

The Navy has announced plans to retire 27 of the Navy's older ships during fiscal year 1978, but 20 newly constructed ships will enter the fleet during the same fiscal year.

★★★★

Discharge Review Boards

Discharge Review Boards of the Military Departments have begun review of discharges on a case-by-case basis of individuals who have elected to participate in the Special Discharge Review Program for certain Vietnam-Era veterans.

The program was initiated April 5, 1977, with an announcement of procedures for individuals discharged or in a deserter status from the Vietnam Era (August 4, 1964 to March 28, 1973).

To determine eligibility and make application for review and upgrade of a General or Undesirable discharge, individuals are advised to telephone the Joint Liaison Office in St. Louis, Mo. (Toll-free 800-325-4040 for most states except for Missouri, Alaska, Hawaii, and Puerto Rico where individuals should call collect 314-423-9120).

for a new medical procedure not currently covered by the regulation or in unique circumstances not contemplated by the regulation.

This discretionary authority, however, will be exercised only under very unusual circumstances. Further, it will not be used to deny an individual any right, benefit, or privilege provided by statute or the CHAMPUS regulation.

The following is an overview of CHAMPUS as set forth in the new regulation.

BASIC PROGRAM ELIGIBILITY

The following individuals usually are eligible for benefits under the Basic Program of CHAMPUS:

- the spouse of an active duty Servicemember;
- a retired Servicemember;
- the spouse of a retired Servicemember;
- the spouse of a deceased active duty Servicemember or a deceased retired Servicemember, provided the spouse has not remarried; and
- the unmarried child of an active duty Servicemember, a retired Servicemember, a deceased active duty Servicemember, or a deceased retired Servicemember, provided the child has not passed his or her 21st birthday.

These, however, are general categories, and special circumstances create exceptions. For example, children who are full-time students remain eligible until their 23rd birthday.

Four sets of circumstances which may cause confusion with respect to eligibility are:

- a handicapping condition for a child who has passed his or her 21st birthday;
- dual eligibility;
- entitlement to Medicare, and
- annulment of a marriage.

Government Costs Under CHAMPUS

Type of Service	Per cent of Total Cost	Cost (millions)
Hospital Services	54.9	$287.8
Physicians' Fees (Inpatient)	23.4	122.6
Physicians' Fees (Outpatient)	13.8	72.6
Program for the Handicapped	1.8	9.3
Drugs	1.8	9.2
Claims Processing and Other Administrative Costs	4.3	22.4
	Total Cost	$523.9

(Based on FY 75 data—most recent year for which complete data is available)

Handicapped Child Eligibility

Certain unmarried children who cannot support themselves because of a mental or physical incapacity remain eligible for CHAMPUS benefits, regardless of age, when:

- the incapacity existed on or before the child's 21st birthday;
- the incapacity is continuous;
- an active duty Servicemember or retired Servicemember provides more than one half of the child's support (children of deceased Servicemembers must have depended on the Servicemembers for more than one half of their support at the time of death).

If the incapacity improves significantly or ceases after age 21, the child then loses eligibility for all CHAMPUS benefits. It cannot be reinstated at a later date if the incapacity recurs or the condition deteriorates.

Determination of whether or not a child is incapacitated to an extent that he or she is eligible for CHAMPUS benefits beyond the 21st birthday is made on a case-by-case basis and is subject to periodic review.

Dual Eligibility

Active duty Servicemembers receive their medical care through the Uniformed Services Medical Care System. Consequently, the following individuals who might otherwise qualify for CHAMPUS are not eligible for the program's benefits:

- an active duty Servicemember married to another active duty Servicemember;
- an active duty Servicemember married to a retired Servicemember;
- an active duty Servicemember who is the surviving spouse of a deceased active duty Servicemember or a deceased retired Servicemember, and
- an active duty Servicemember who is a dependent son or daughter of an active duty Servicemember, a retired Servicemember, a deceased active duty Servicemember or a deceased retired Servicemember.

These individuals become eligible for CHAMPUS when they leave active duty, provided they meet other eligibility criteria.

Medicare and CHAMPUS

By law, CHAMPUS eligibility comes to an end when any beneficiary other than a dependent of an active duty Servicemember becomes eligible for Medicare's Part A (Hospital Insurance) at age 65 or becomes so entitled before age 65 because of a disability or chronic kidney disease.

The law applies regardless of where the beneficiary lives. This is particularly important for individuals living outside the United States where Medicare cannot pay for health benefits.

Medicare has two parts—Hospital Insurance (Part A) and Medical Insurance (Part B). Qualified individuals have automatic entitlement to Part A and pay no premium for it. Enrollment in Part B is voluntary and requires payment of a premium. Failure to purchase Part B does not reinstate CHAMPUS eligibility for any benefit.

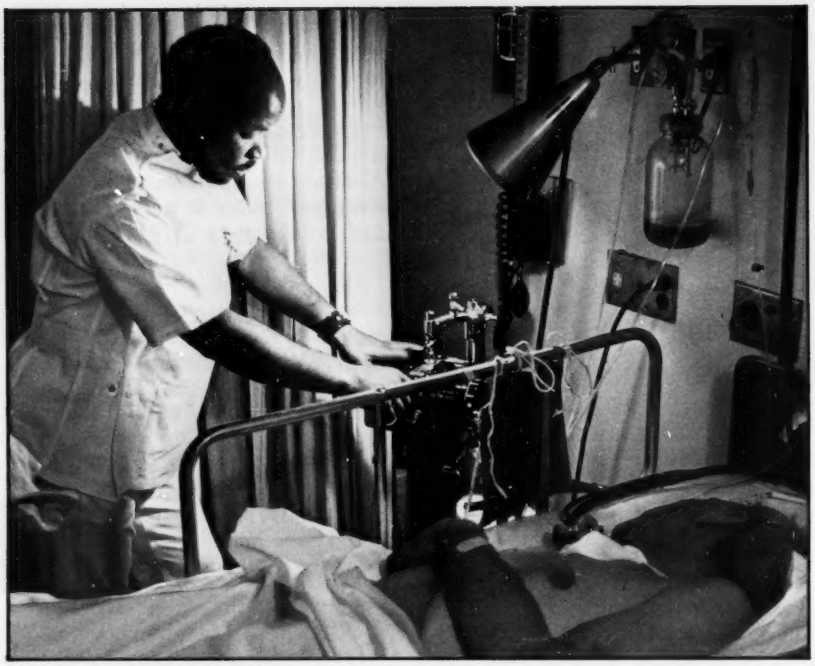
Although spouses and children of active duty Servicemembers who are entitled to Medicare remain eligible for all CHAMPUS benefits, Medicare benefits must be used before CHAMPUS payments enter the picture. If any amount remains after Medicare payments are made, CHAMPUS pays it, up to the amount and for those services that CHAMPUS would have paid if there were no Medicare coverage.

Annulment

Technically, an individual who received CHAMPUS benefits before annulment of a marriage was not eligible for those benefits because, in effect, an annulment means that the marriage never existed. Normally, repayment would then be required.

To avoid financial hardship in this circumstance, CHAMPUS treats annulment in the same manner as divorce. An individual whose marriage to an active duty Servicemember or retired Servicemember is annulled loses CHAMPUS eligibility as of 12:01 a.m. of the day following the day on which a court grants the annulment order. CHAMPUS will cost-share any authorized benefits received between the date of marriage and 12:01 a.m. of the day following the day the annulment is granted.

The same practice applies to an active duty Servicemember's stepchild or retired Servicemember's stepchild when a marriage is dissolved through annulment.



The overall CHAMPUS Basic Program benefits package falls into three categories and includes services and supplies provided by hospitals, skilled nursing facilities and certain special treatment facilities.

BASIC PROGRAM BENEFITS

The CHAMPUS Basic Program is essentially a supplemental program to the Uniformed Services' direct medical care system. In many of its aspects, the Basic Program is similar to private medical insurance programs and is designed to provide financial assistance to CHAMPUS beneficiaries for certain prescribed medical care obtained from civilian sources.

The overall CHAMPUS Basic Program benefits package falls into three categories:

- institutional benefits—services and supplies provided by hospitals, skilled nursing facilities, residential treatment facilities, and certain special treatment facilities;
- professional benefits—services rendered by physicians, dentists, clinical psychologists, podiatrists and certain other paramedical providers, and
- other benefits—ambulance service, prescription drugs and medicines, durable medical equipment, etc.

To qualify as a CHAMPUS benefit, a service or supply must be medically necessary for the diagnosis and treatment of illness or injury or for maternity care. This is not a new rule—it has been the basis for CHAMPUS payments since the program was launched. But it will be enforced more strictly under the new CHAMPUS regulation, which provides that all claims will be subject to special review—peer review and utilization review.

Beneficiaries should be aware of the intensified enforcement. And, it should be explained carefully to their physicians. Failure to do so could create financial hardship for a beneficiary who finds himself or herself faced with a medical bill that CHAMPUS will not share because the care is not considered medically necessary.

Some services and supplies covered under the Basic Program must be preauthorized—that is, approved by CHAMPUS before they are received. Also, certain beneficiaries must have a nonavailability statement from a Uniformed Services medical facility before CHAMPUS will share the cost of inpatient care from a civilian source.

Although CHAMPUS generally will share the cost for medically necessary services and supplies required in the diagnosis and treatment of illness or injury, or for maternity care, benefits are subject to definitions, conditions, limitations and/or exclusions specified in the new regulation. Some examples of benefits that are subject to limitations are explained in this issue. Also, a listing and explanation of some services and supplies that are excluded from the CHAMPUS benefits package are given and explained, as well as some exceptions to these exclusions.

Treatment of Alcoholism

CHAMPUS will share the cost, up to seven days, for inpatient hospital care required to detoxify a beneficiary during acute stages of alcoholism when the beneficiary suffers from delirium, confusion, trauma, unconsciousness and malnutrition and is unable to function. Such detoxification usually takes from three to seven days.

Benefits may be extended beyond the detoxification stage for inpatient rehabilitation in the hospital or in another type of authorized institution. Each rehabilitative stay is reviewed to determine whether an inpatient setting is required.

Benefits for treatment for alcoholism—detoxification and rehabilitation—are limited to 21 days per episode. Furthermore, CHAMPUS shares the cost for no more than three rehabilitative stays during a beneficiary's lifetime. There is no limit, however, on the number of inpatient stays for detoxification.

Surgical Assistance by a Physician

CHAMPUS will share the cost for surgical assistance by a physician provided that the procedure was complex enough to require a surgical assistant to be present and that a qualified intern or resident was not available. These restrictions are part of an overall emphasis on assuring that CHAMPUS pays only for care that is necessary.

A claim for services provided by a surgical assistant will be referred automatically for medical review if it involves one of the following circumstances:

- The surgery was performed in a hospital that has a residency program in a specialty appropriate to the surgery.
- The surgery was performed by a team of surgeons.

CHAMPUS shares the cost for surgical assistance by a physician provided that the procedure was complex enough to require a surgical assistant to be present and that a qualified intern or resident was not available.

• There was more than one surgical assistant.

• The surgical assistant was a partner of the attending surgeon.

• The surgical assistant was from the same group of practicing physicians as the attending surgeon.

Psychotherapy

CHAMPUS will share the cost of one hour of psychotherapy treatment—individual or group or a combination—during a 24-hour period, up to a maximum of five one-hour sessions per week for inpatient care and two one-hour sessions per week for outpatient care.

In crisis intervention cases, two hours of psychotherapy treatment during a 24-hour period will be cost shared.

Outpatient treatment is reviewed automatically by CHAMPUS at the eighth visit. If approved for continuation, it again is reviewed automatically at the 24th visit, although more frequent review may be made. At a maximum of 60 visits, the case must be referred for peer review before further care can be authorized.

Private Rooms

CHAMPUS will share the cost of a private room in a hospital or other authorized institution when:

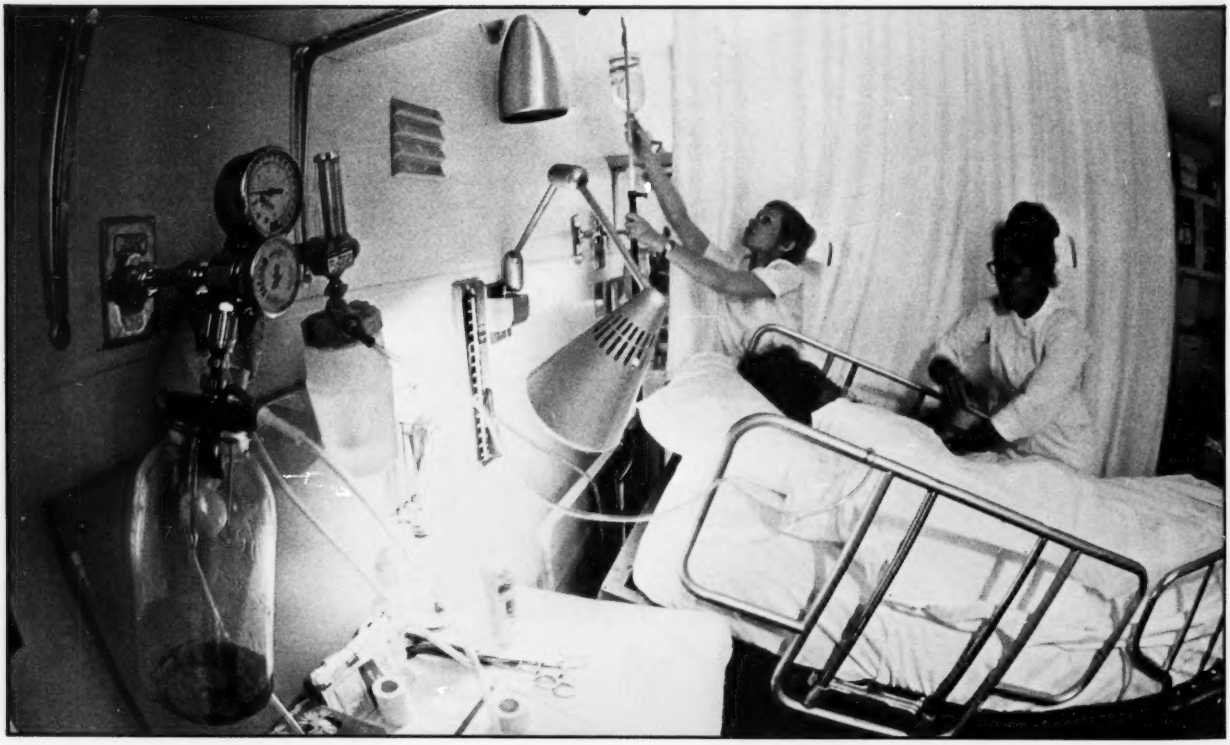
• the attending physician orders a private room on the basis of medical necessity (not because the patient wants one for comfort or privacy);

• a patient's medical condition requires isolation;

• a patient in need of immediate care is admitted to a hospital or other institution at a time when all of its semi-private accommodations are occupied;

• a patient is admitted to an acute care hospital (general or special) that does not have semi-private accommodations.

CHAMPUS does not share the cost of a private room in an institution other than an acute-care hospital (general or special) that does not have semi-private accommodations.



If none of these conditions exists, CHAMPUS shares the cost on a semi-private room basis.

CHAMPUS shares the cost for a private room until a patient's condition no longer requires such accommodations for reasons of medical necessity or isolation. In cases where patients are admitted when all semi-private rooms are occupied, CHAMPUS shares the cost of a private room until semi-private accommodations become available.

CHAMPUS does not share the cost of a private room in an institution other than an acute-care hospital (general or special) that does not have semi-private accommodations. Cost-sharing under this circumstance is on a semi-private room basis.

Private Duty (Special) Nursing

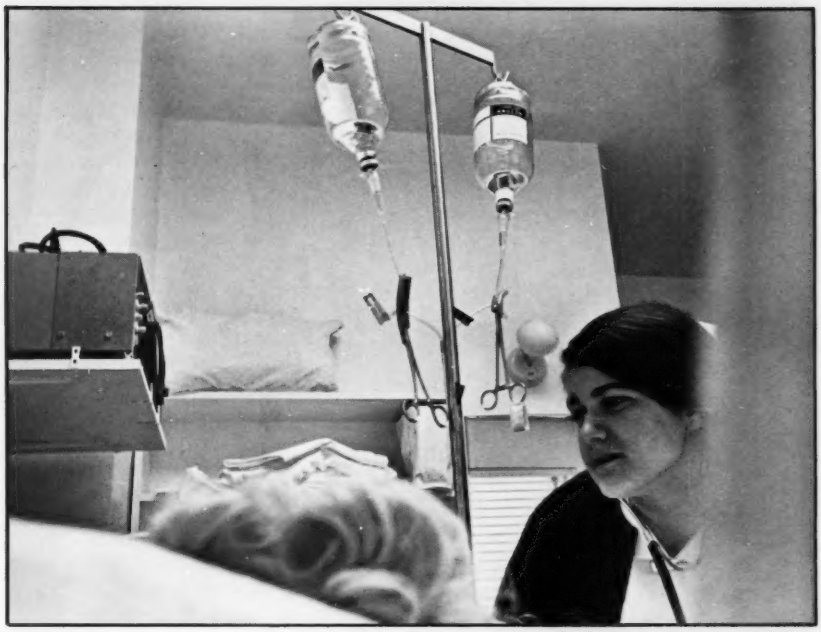
CHAMPUS will share the cost for services rendered by a private duty (special) nurse in a hospital and, under special circumstances, in a home, when the following conditions are met:

- the patient must require skilled nursing services that can be provided only with the scientific skills and technical proficiency of a registered nurse (**NOTE:** When a registered nurse is not available, the services may be provided by a licensed practical nurse or a licensed vocational nurse);
- when private duty nursing care is provided in a hospital, the hospital must lack an intensive care unit;
- private duty nursing care provided in a hospital or home must be ordered by the attending physician and must be medically necessary;
- private duty nursing care must be provided by a nurse who is not a member of the patient's family or household, and
- the nurse must maintain daily detailed nursing notes (**NOTE:** For care provided in a home, these daily nursing notes should be submitted with the claim).

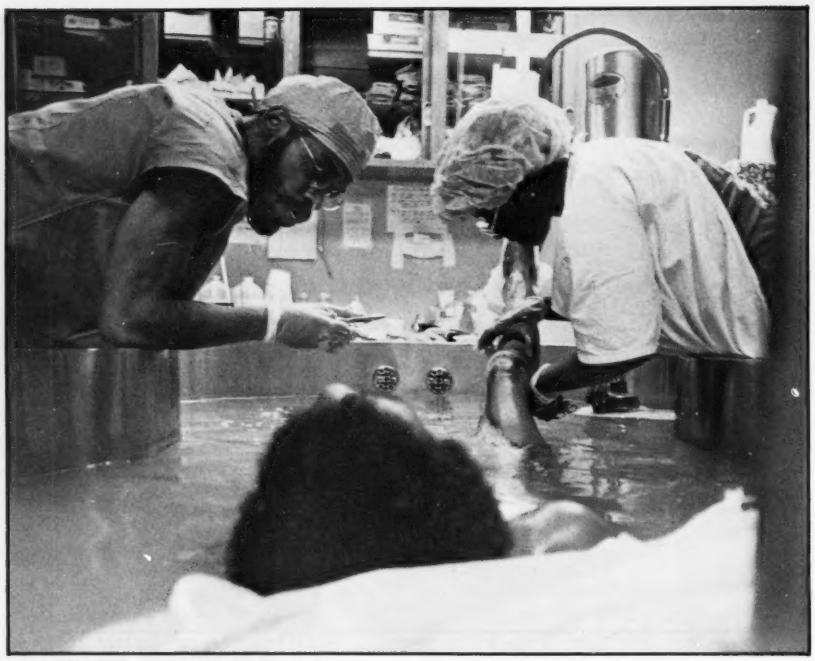
In addition, benefits are limited to that care which qualifies as skilled nursing service. Personal services or services that support the essentials of daily living such as feeding, personal hygiene and passive exercise are not covered. Benefits are further limited to the time it actually takes to render the skilled nursing services. However, on any day that it is determined skilled nursing service was rendered, benefits will be provided for not less than one hour of nursing.

Services performed by a registered nurse that could have been provided by an average adult with minimum instruction or supervision are not covered. They are not considered skilled nursing services.

Claims for continuing private duty (special) nursing care should be submitted at least monthly. Each claim will be reviewed and the nursing care will be evaluated to determine whether it continues to qualify for CHAMPUS benefits.



CHAMPUS authorizes private duty nursing care in a hospital or in the home under specific circumstances and within strict limitations.



Physical therapy benefits are generally limited to a 60-day period for each illness or injury under the CHAMPUS program.

Physical Therapy

CHAMPUS will share the cost of one or two physical therapy sessions per week when the therapy is provided by a physician or by a registered physical therapist under supervision of a physician. Physical therapy benefits are generally limited to a 60-day period for each illness or injury. It has been found that maximum results can be achieved in a majority of cases within this time frame.

Requests for extending physical therapy benefits beyond 60 days will be considered when the attending physician documents the medical necessity for continuing the therapy and he provides information as to the anticipated results.

General exercise programs are not cost-shared by CHAMPUS, even when recommended by a physician to improve the general health and fitness of a beneficiary. Neither are passive exercises or range-of-motion exercises covered unless they are prescribed by a physician as an integral, concurrent part of a comprehensive physical therapy program.

Concurrent Inpatient Physician Care

There are three situations that CHAMPUS classifies as concurrent inpatient physician care for an individual during a single inpatient admission.

The first situation involves Same Physician/Different Type of Care. When a beneficiary receives inpatient medical care during the same admission in which the same physician provides surgical care or maternity care, CHAMPUS benefits are limited to that one type of care for which the greatest amount is payable—the medical care or the surgical care or the maternity care. A request for special consideration of a higher-than-usual fee will be covered, however, when extra time and special effort are required due to complications.

Second is Different Physicians/Different Types of Care. When different physicians provide different types of care—medical care and/or surgical care and/or maternity care—to a beneficiary during the same inpatient admission, CHAMPUS benefits may be extended to cover the services of more than one physician, subject to review for medical necessity.

The final situation involves Different Physicians/Inpatient Medical Care Only. Benefits generally are limited to the services of one physician for inpatient medical care—non-surgical, non-maternity care—during a single admission, unless the services of more than one physician are required because of unusual severity and complexity of a patient's condition.

Ambulance Service

CHAMPUS generally shares the cost of local ambulance service to a hospital, from a hospital, and between hospitals. Local ambulance service

means that the reasonable charge is not more than $100.

For non-local ambulance service, CHAMPUS shares the cost only when a patient is transferred from a remote area to the nearest hospital or from a hospital that cannot provide required care to the nearest hospital that can.

To qualify for CHAMPUS benefits, an ambulance must be a land vehicle and must be specifically designed and equipped for that purpose. It must be professionally operated and manned by personnel trained to render first aid. As a minimum, it must contain a stretcher, linens, first aid supplies, oxygen equipment and any other lifesaving equipment required by state or local law. (Air ambulance is not covered except as a last resort to move a patient from a remote area. Any claim for air ambulance must be accompanied by medical documentation of the need and is subject to special review.)

Voluntary ambulances for which the operating organization requests a contribution but does not issue a legally binding bill or vehicles such as medicabs and ambicabs are not considered to be ambulances for CHAMPUS cost-sharing purposes.

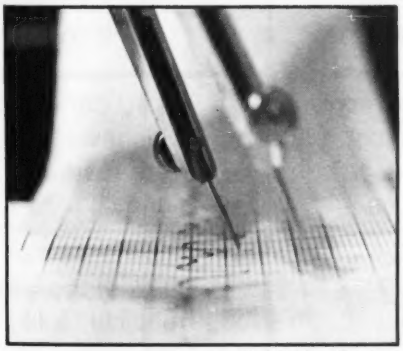


Photo by Don Carstens

Diagnostic Admissions

CHAMPUS will share the cost on an inpatient basis when a beneficiary is admitted to a hospital or other institution primarily for medically necessary diagnostic tests that cannot be performed on an outpatient basis.

If, however, a beneficiary is admitted to a hospital or other institution primarily for medically necessary diagnostic tests that could have been performed on an outpatient basis, the cost of the tests will be shared on an outpatient basis. No other cost will be shared, including the cost of hospitalization. This provision is included in the CHAMPUS regulation to discourage inpatient admissions that are not medically necessary. Any beneficiary who elects inpatient admission for diagnostic tests that could have been performed on an outpatient basis will be responsible for all costs related to that admission except for the otherwise covered tests themselves.

Prescription Drugs and Medicines

CHAMPUS attempts to insure that beneficiaries receive high quality drugs and medicines that are effective in treating the condition for which they are prescribed. The program attempts to prevent the misuse of CHAMPUS funds in drug abuse situations and to minimize the opportunity for submitting fraudulent claims for drugs and medicines.

CHAMPUS will share the cost of all prescription drugs and medicines except for:

- drugs and medicines that have not been approved by the U.S. Food and Drug Administration;
- drugs and medicines for weight control;
- vitamins and other nutritional supplements, including those related to prenatal care;
- otherwise covered drugs and medicines, obtained legally or illegally, when their use is related to a drug abuse situation (Legal drugs monitored for possible drug abuse are narcotics, nonnarcotic analgesics, tranquilizers, barbiturates, and stimulants);
- drugs and medicines prescribed by a member of a beneficiary's family or by someone residing in the beneficiary's household.

CHAMPUS will not share the cost of drugs and medicines that can be obtained in the United States without a prescription except for insulin when it is purchased for a known diabetic.

Prescription drugs and medicines a person obtains while an inpatient for use after leaving an institution—"take-home" drugs and medicines—will be cost-shared by CHAMPUS on an outpatient basis.

In addition to the information normally required on a CHAMPUS claim form, claims for prescription drugs and medicines must include:

- the name of the drug or medicine;
- the strength of the drug or medicine;
- the name and address of the pharmacy where the drug or medicine was purchased;
- the name of the physician who prescribed the drug or medicine, and
- the prescription number of the drug or medicine for which the claim is submitted.

Cosmetic, Reconstructive and/or Plastic Surgery

CHAMPUS defines cosmetic, plastic and/or reconstructive surgery as ". . .that surgery which can be expected to improve physical appearance, or is performed primarily for psychological purposes, or restores body form. . . and which does not materially correct or improve a physical function." If a surgical procedure primarily restores a physical function, that procedure does not fall within this definition even though the surgery may also improve physical appearance.

CHAMPUS will cover cosmetic, reconstructive and/or plastic surgery that meets the following specific, limited criteria:

- corrects a marked deviation from a normal standard when the deviation existed at birth (a congenital anomaly);
- restores body form following an accidental injury,
- revises a disfiguring, extensive scar resulting from cancer surgery (neoplastic surgery);

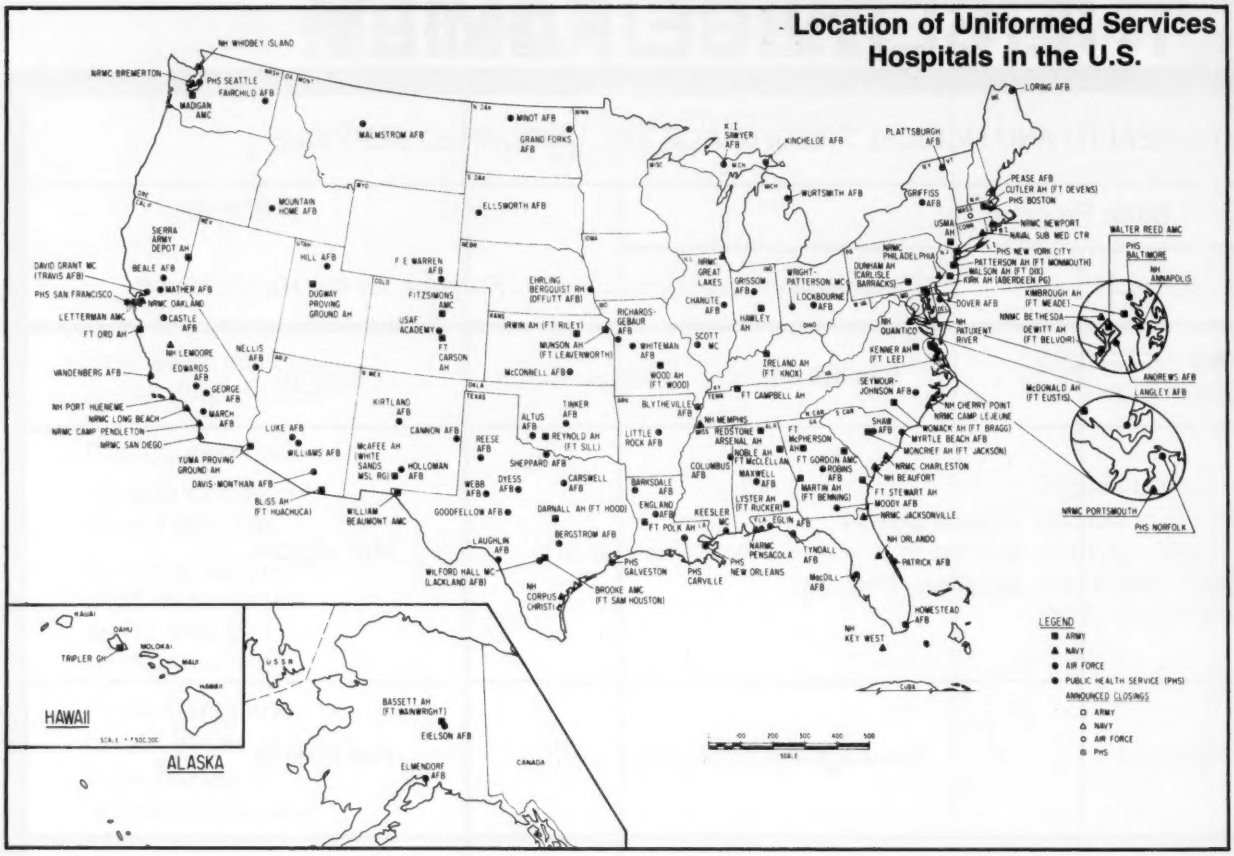
MEDICAL BENEFITS FOR

PATIENTS	UNIFORMED SERVICES FACILITIES		CIVILIA
	Hospitalization/Outpatient		Hospitalization
Spouse or child of active duty member	On a space-available basis		Eligible, but may nee nonavailability statem
Retired member Spouse or child of retired member Surviving spouse or child of deceased active duty or retired member	On a space-available basis		Eligible unless entitled to Medicare (Part A). Also, may need nonavail-ability statement.
Dependent parent or parent-in-law of active duty, retired, or deceased member	On a space-available basis		Not eligible
COSTS	Hospitalization	Outpatient	Hospitalization
Spouse or child of active duty member	$4.10 per day (rate reviewed annually)	No charge	$4.10 per day or $25 whichever is greater (rate reviewed annually)
Retired: Enlisted Officer Spouse or child of retired or deceased member	No charge Subsistence $4.10 per day (rate reviewed annually)	No charge No charge No charge	25% of the allowable medical facility charg and allowable professional fees
Dependent parent or parent-in-law of active duty, retired, or deceased member	$4.10 per day (rate reviewed annually)	No charge	Not eligible

R THE SERVICE FAMILY

VILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES

Basic Program		
on	Outpatient	Program for the Handicapped
need atement	Eligible	Eligible
are ail-	Eligible unless entitled to Medicare (Part A).	Not eligible
e	Not eligible	Not eligible
ion	Outpatient	Program for the Handicapped
$25, ater	20% of allowable charges above the deductible (first $50 each fiscal year—$100 maximum per family)	Patient's share per month depends on paygrade of sponsor—$25 for E-1 to $250 for O-10. CHAMPUS pays remainder up to $350 per mo.
vable harges s	25% of allowable charges above the deductible (first $50 each fiscal year—$100 maximum per family	Not eligible
e	Not eligible	Not eligible



To qualify as a CHAMPUS benefit, surgery covered by this provision must be performed no later than Dec. 31 of the year following the year in which the accidental injury occurred or cancer surgery was performed. Special consideration is given to cases involving children where growth time is a factor.

Further, preauthorization is required in order for any benefits to be extended for cosmetic, reconstructive and/or plastic surgery, even though the procedure otherwise meets the above criteria.

Examples of non-covered cosmetic, reconstructive and/or plastic surgery are:

- body sculpture;
- removal of a tattoo;
- hair transplant;
- removal of body hair (electrolysis);
- breast augmentation;
- any procedure related to the aging process, and
- any procedure performed for psychological reasons.

CHAMPUS Standards and Civil Rights Act

To insure that beneficiaries receive quality care, CHAMPUS shares hospital costs only for care received from hospitals meeting its standards. Furthermore, it shares hospital costs only for care from those that do not practice discrimination on the basis of race, color, or national origin—those that comply with Title VI of the Civil Rights Act.

Exceptions to these rules are made for emergency inpatient admissions. To qualify as an exception:

- the care must be medically supported as an emergency;
- the care must require admission as an inpatient (it could not have been provided as an outpatient), and
- the care must be provided by the nearest hospital.

CHAMPUS benefits are payable for care from an unauthorized hospital for the duration of the medical emergency. A CHAMPUS medical consultant determines when the medical emergency is over, and the beneficiary is notified. Benefits cease for a stay in an unauthorized hospital on the day of notification. Where appropriate, CHAMPUS will share the cost of ambulance service to transport the beneficiary to an approved hospital.

Most hospitals in the United States comply with CHAMPUS standards and with Title VI of the Civil Rights Act. A CHAMPUS advisor or contractor can advise beneficiaries of those few that do not comply.

Dental Care and Oral Surgery

Under the law governing CHAMPUS, dental benefits are limited to adjunctive dental care—that is, dental care that is medically necessary in treating a medical problem covered by CHAMPUS, is an integral part of such treatment, and is essential for controlling the medical problem.

The program cannot share the cost of dental care provided solely for dental purposes. Emergency dental care is not covered unless it otherwise qualifies as adjunctive dental care. Orthodontia (straightening of teeth) is not covered except where directly related to, and an integral part of, surgical correction of cleft palate.

Examples of adjunctive dental care are:

- elimination of non-local infection such as infection of a tissue (cellulitis) or infection of a bone (osteitis) that is causing problems related to a medical condition being treated, and
- removal of a tooth or tooth fragments to repair a facial injury.

Preauthorization is required for dental care, except in emergency medical situations. The waiver of this requirement for emergency medical situations applies only to essential adjunctive dental care related to the medical problem.

Oral surgery performed by a physician or oral surgeon is considered to be medical care, not dental care. It, therefore, is not subject to the limitations on dental care. Furthermore, preauthorization is not required.

The list of covered oral surgery procedures has been expanded under the new CHAMPUS regulation and includes:

- removal of tumors and cysts of the jaw, cheeks, lips, tongue, roof of the mouth and floor of the mouth when such conditions require an examination of tissues;
- surgical procedures required to correct accidental injuries of the jaw, cheeks, lips, tongue, roof of the mouth, and floor of the mouth;
- treatment of oral cancer;
- treatment of facial cancer;
- treatment of fractures of facial bones;
- external incisions and drainage of infected tissue;
- surgery of accessory sinuses, salivary glands and ducts, and

Appeals and Hearing Procedure

The new CHAMPUS regulation sets forth a multi-level administrative procedure under which beneficiaries and certain providers can appeal claim decisions that have been made by a CHAMPUS contractor or by OCHAMPUS. "Multi-level" means that the appeal starts at one level and moves to the next (within specified dollar limits) if the appealing party still is not satisfied.

Although an informal appeals mechanism has always existed for CHAMPUS beneficiaries, the formal procedure spelled out in the regulation is new to the program. This administrative process does not replace a beneficiary's right to initiate legal action. However, a court rarely agrees to consider such a case until all administrative remedies have been exhausted.

There are four levels to which a CHAMPUS contractor's initial decision can be appealed. They are:

- informal review by the contractor at the point an initial determination was made;
- reconsideration by the contractor at a separate and higher level than the level at which an initial determination was made; any decision involving $50 or less is final at this level;
- review by the Director, Contracts Management, OCHAMPUS; any decision involving $300 or less is final at this level;
- independent hearing; amount in dispute must be over $300.

If a hearing officer and the Director of OCHAMPUS disagree on a decision at the hearing level or the decision is unfavorable to the appealing party, the case is referred automatically to the Assistant Secretary of Defense (Health Affairs) for review.

There are three levels to which an OCHAMPUS initial decision can be appealed. They are:

- reconsideration by the Director, Health Services, OCHAMPUS;
- formal review by the Deputy Director, OCHAMPUS; any decision involving $300 or less is final at this level;
- independent hearing; amount in dispute must be over $300.

If a hearing officer and the Director of OCHAMPUS disagree on a decision at the hearing level or the decision is unfavorable to the appealing party, the case is referred automatically to the Assistant Secretary of Defense (Health Affairs) for review.

• reduction of dislocations and removal of certain joints, when surgery is a necessary part of the reduction.

CHAMPUS does not share the cost of preparing the mouth for dentures. Neither does the program share the cost for removal of unerupted teeth, teeth that are partially erupted, teeth that are not in their normal position, or impacted teeth. Orthodontia (straightening of teeth) is not considered to be oral surgery.

Durable Medical Equipment

CHAMPUS shares the rental cost for a wide range of durable medical equipment, probided that the equipment cannot be borrowed from a local Uniformed Services medical facility.

To qualify for CHAMPUS cost-sharing as durable medical equipment, an item must have a reasonable purchase price of more than $100—otherwise it would be considered a medical supply item. Other requirements are:

• it must be medically necessary and used primarily to serve a medical purpose;

• it must improve the functioning of a malformed, diseased, or injured body part or it must retard further deterioration of a beneficiary's physical condition;

• it must be usable only by the disabled person for whom it is intended—an item that can be used by other family members is not considered durable medical equipment for CHAMPUS purposes;

• it must be able to withstand repeated use;

• it must be a non-luxury, non-deluxe item, and

• it must be for other than comfort or convenience.

An item used primarily for transportation does not qualify as durable medical equipment. A wheelchair, however, does qualify because it provides a basic mobility that is required to retard further deterioration of a patient's physical condition. It, therefore, is not considered primarily transportation. Any other vehicle is considered transportation and, therefore, is not covered as a CHAMPUS benefit.

Under its Basic Program, CHAMPUS shares the cost of durable medical equipment that is rented. The purchase cost is shared when CHAMPUS directs the beneficiary to enter into a lease/purchase arrangement. (**NOTE:** Under the Program for the Handicapped durable medical equipment may be purchased provided that the purchase is preauthorized.)

Cost-sharing for durable medical equipment under the Basic Program is based on the status of the beneficiary when the equipment is used. For example, an item initially used when a beneficiary is a hospital inpatient is cost shared on an inpatient basis; if its use continues after the patient is released from the hospital, cost sharing after release switches to an outpatient basis, which is more costly for some beneficiaries.

Any durable equipment item that is authorized for use in conjunction with a condition covered by the Program for the Handicapped is cost-shared by CHAMPUS under the provisions that apply to that program. It cannot be cost-shared under the Basic Program.

Studies, Grants, and Research Programs

When medical care is furnished as part of a scientific or medical study, a research project, or a program funded by a grant, funds provided for the project pay for that medical care. CHAMPUS will not duplicate these payments—the program will not share the cost of any care provided as part of a study or research project.

WHAT THEY ARE SAYING . . .

"For this Administration, then, as for its predecessors since 1949, a strong and ready NATO remains vital to the United States national security. I regard the strengthening and sustaining of NATO as one of the principal, and most urgent, challenges of my tenure as Secretary of Defense."

—SECRETARY OF DEFENSE HAROLD BROWN *at the Armed Forces Day Luncheon May 11, 1977 before the Atlanta, Georgia, Chamber of Commerce.*

Preventive Care

The law under which CHAMPUS operates excludes preventive care from the benefits package. The program, therefore, cannot share the cost of such care as routine annual or employment-requested physical examinations, immunizations and screening procedures performed when no definitive symptoms are present.

Beneficiaries often are confused about certain types of care with regard to whether or not it is preventive. For example, CHAMPUS cannot share the cost of flu shots, nor extend benefits for periodic chest X-rays and pap smears when there are no presenting symptoms and not in connection with a diagnosed related illness.

CHAMPUS will share the cost of some specific services which are specifically authorized by the law governing CHAMPUS or are not considered to be primarily preventive care. These include:

- new-born examinations including PKU tests;
- rabies shots;
- tetanus shots following accidental injury;
- rhogam;
- genetic tests in certain high-risk situations, as specifically set forth in the regulation, and
- immunizations and physical examinations for spouses and children of active duty Servicemembers who are travelling outside of the United States as a result of the Servicemembers' duty assignments, when such travel is being performed under orders issued by a Uniformed Service.

Domiciliary Care

Domiciliary care is care provided in an institution instead of at home solely because:

- required supervision or assistance is not available in the home setting or;
- the home setting is not suitable for the care, or
- members of the beneficiary's family are not willing to provide the care in the home setting.

In other words, it is care provided in an institution where the institution serves as a "substitute home"—but it is not medically necessary for the care to be provided in an institution.

The law governing CHAMPUS excludes cost-sharing for domiciliary care.

An example of domiciliary care is an extension of a hospital stay beyond the time considered medically necessary because the beneficiary lives alone. Another example is institutionalization because of abandonment.

Although CHAMPUS cannot share the cost of domiciliary care itself, the program will share the cost of any authorized service or supply received in the institution by a domiciliary care patient. Cost-sharing, in this situation, will be on an outpatient basis.

Custodial Care

The new CHAMPUS regulation explains the meaning of custodial care, a meaning that has not been clear for many beneficiaries in the past. A clear understanding is especially important because custodial care is excluded from the CHAMPUS benefits package by the statute governing the program. CHAMPUS cannot share its cost.

Generally, custodial care is long-term care provided primarily to support the essentials of daily living in situations where the patient must have a protected, monitored and controlled environment.

In a custodial care situation, CHAMPUS does not share the cost of any related service or supply provided in a home or institution except for:

- cost-sharing prescription drugs and medicines, and
- cost-sharing one hour of skilled nursing care per day on any day it is

"... We are trying to generate a business environment which is more conducive to capital investment. For DoD contracts with negotiated pricing, we've now altered our negotiation guidelines to include a significant profit to be paid to the contractor dependent on his degree of resource commitment. The greater the contractor's investment, the greater his potential profit—this was not the case in the past."

—JACQUES S. GANSLER, *Deputy Assistant Secretary of Defense (Materiel Acquisition), "Future Trends In the Aerospace Industry," before the Advest Institutional Services in New York City May 11, 1977*

"Health care is delivered to DoD beneficiaries in four subsets—the three military departments and the CHAMPUS program. The active duty person is cared for inhouse, and most care for his dependents is given there. The retiree and his family may receive care in-house if space and capability exist, but look to CHAMPUS more intensively. As the retired population has been growing over time, the active force, including its medical arm, has shrunk."

—ROBERT N. SMITH, M.D., *Assistant Secretary of Defense (Health Affairs) before the Subcommittee on Military Personnel, Committee on Armed Services of the House of Representatives, May 17, 1977.*

Double Coverage

The new CHAMPUS regulation sets forth special rules governing situations in which a beneficiary also has coverage under another program or plan that duplicates CHAMPUS benefits. This is known as double coverage. The rules governing double coverage are not new to CHAMPUS, but they will be enforced more strictly under provisions of the regulation.

Rules governing double coverage do not apply to coverage provided by Medicaid, to privately purchased, non-group coverage, to coverage specifically designed to supplement CHAMPUS benefits, or to entitlement to receive care from a Uniformed Services medical facility.

In most instances, the impact of double coverage on dependents of active duty Servicemembers is different from the impact on other beneficiaries.

Under the law governing CHAMPUS, it is the last payer when double coverage exists unless the beneficiary is the dependent of an active duty Servicemember. This means that the other program or plan must pay its benefits first for retirees, dependents of retirees, dependents of deceased active duty Servicemembers and dependents of deceased retirees.

When the spouse or child of an active duty Servicemember is entitled to Medicare, that program's benefits must be used before CHAMPUS payments enter the picture. For other double-coverage situations involving the spouse or child of an active duty Servicemember, a determination of who has primary responsibility for payments is made on a case-by-case basis by CHAMPUS representatives and representatives of the other program or plan. This determination is made after CHAMPUS payments have been made and is a matter between CHAMPUS and the other program or plan. A beneficiary usually does not get involved except to provide CHAMPUS with sufficient information concerning the double coverage plan or program.

The Veterans Administration administers a program, established by Congress, that provides benefits in conjunction with military Service-connected illnesses or injuries. **CHAMPUS benefits are not available for such care.** Thus, retirees do not have the option of having a military Service-connected illness or injury treated under CHAMPUS rather than under the Veterans Administration program—the latter must be used. Any amount paid in error by CHAMPUS for care related to a military Service-connected injury or illness will be recovered.

CHAMPUS benefits are not available for services or supplies provided in connection with work-related illness or injury. Individuals must apply for benefits in such cases under the applicable workmens compensation law.

determined that necessary skilled nursing care was, in fact, rendered.

CHAMPUS also will share inpatient costs for a separate condition or when a condition being treated in a custodial care setting becomes acute and requires the inpatient hospital setting.

While the law has always excluded custodial care, better definition in the new regulation will result in stricter enforcement of this provision.

Court-Ordered Care

When a court orders medical services or supplies for an individual, the court is responsible for providing payments through the state, county, or other appropriate jurisdiction. CHAMPUS, therefore, does not share the cost of court-ordered services or supplies. This does not impact on CHAMPUS cost-sharing when the courts simply decide a legal question.

Also, CHAMPUS does not share the cost of inpatient stays directed or agreed to by a court as an alternative to jail, reform school or a similar institution for a criminal act. For example, the program does not share the cost of care received at a residential treatment center when a judge agrees to suspend sentence for a car theft conviction provided the adolescent is placed in such a center for six months. This is in keeping with the regulation's effort to insure that CHAMPUS shares the cost only for medically necessary care provided, ordered, or prescribed by a physician.

Eyeglasses

Although CHAMPUS generally does not share the cost of eyeglasses, spectacles, contact lenses, or other optical devices, there are limited exceptions to this rule. CHAMPUS will share the cost for:

- eyeglasses or contact lenses that perform the function of a human lens that has been lost as a result of surgery within the eye or in injury to the eye;
- "Pinhole" glasses prescribed for use after surgery for a detached retina, or

• lenses prescribed as "treatment" in lieu of surgery for certain specific conditions (example: contact lenses used for treatment of infantile glaucoma).

Benefits in these cases are limited to one set of lens unless a change in prescription is necessary. The change must be related to the qualifying eye condition.

Education

Education is the responsibility of a State or local government which provides funds for that purpose. Consequently, CHAMPUS does not share the cost of any service or supply for general education, special education, training, non-medical self-help program or non-medical self-care program. Such items as special tutoring, remedial reading and natural childbirth classes are among those not included in the CHAMPUS benefits package.

CHAMPUS does not share any costs related to education provided to an inpatient (such as that provided in a residential treatment center). When the institution includes education charges in an overall daily rate charge, that portion of the daily rate related to education will be determined and will not be paid as a CHAMPUS benefit. The cost of such education is the responsibility of the cognizant State or local government.

BENEFICIARY'S FINANCIAL RESPONSIBILITY

A beneficiary's financial responsibility under the Basic Program falls into four categories:

• annual fiscal year outpatient deductible;

• inpatient and outpatient cost shares;

• responsibility for amounts above the amount that CHAMPUS determines to be an allowable charge, and

• responsibility for services and supplies that are not covered by CHAMPUS.

Nonavailability Statement

All CHAMPUS beneficiaries usually need a nonavailability statement for inpatient care from a civilian source if they live within a 40-mile radius of a Uniformed Services hospital. This is sometimes called the "40-mile rule."

CHAMPUS is prohibited from paying for non-emergency inpatient care from a civilian source when that care is available at a Uniformed Services facility within a 40-mile radius of a beneficiary's residence. This applies only to inpatient care; it does not apply to outpatient care.

When no Uniformed Services facility within a 40-mile radius of a beneficiary's residence can provide the required inpatient care, a nonavailability statement will be issued by the commander of a Uniformed Services hospital (or a designated representative).

There are some situations in which a commander of a Uniformed Services hospital is authorized to issue a nonavailability statement to someone living within a 40-mile radius even though the hospital could have provided the care. These requests are handled on a case-by-case basis. A beneficiary who has any doubts about whether he or she needs a nonavailability statement should check with a Uniformed Services medical facility before receiving inpatient care from a civilian source.

Public Health Service hospitals are Uniformed Services medical facilities. Many CHAMPUS beneficiaries often overlook this source of inpatient care.

Estimated Number of Persons Eligible for CHAMPUS Benefits

Dependents of Active Duty Personnel	3,300,000
Retired	1,100,000
Dependents of Retired	2,500,000
Survivors of Active Duty and Retired	800,000
Total	7,700,000

Percent of CHAMPUS Hospital Costs by Type of Care

Type of Hospital Care	Percent	Cost (millions)
Surgical	37	$106.0
Medical	28	79.8
Psychotherapeutic/Psychiatric	19	56.1
Deliveries	16	45.9
Total Hospital Costs		$287.8

Outpatient Deductible

An outpatient deductible is the amount a beneficiary must pay each fiscal year before CHAMPUS assistance is available for outpatient expenses. The deductible is the first $50 of authorized outpatient expenses in a fiscal year. For a family of two or more beneficiaries filing claims, the maximum deductible in a fiscal year is $100 collectively.

Cost Share

Generally, CHAMPUS considers care as being provided on an inpatient basis when a beneficiary is admitted to a hospital or similar medical facility and can be expected to stay there for at least 24 hours. All other care is considered as being provided on an outpatient basis, with some special cost sharing provisions for maternity care.

Outpatient Cost-Sharing. For outpatient care received by the spouse or child of an active duty Servicemember, CHAMPUS pays 80 per cent of the allowable charges after the outpatient deductible has been met. For other beneficiaries, CHAMPUS pays 75 per cent of the allowable charges after the deductible has been met.

Inpatient Cost-Sharing. CHAMPUS pays all of the allowable professional fees for inpatient care received by spouses and children of active duty Servicemembers when the professional charges separately from the hospital. As for hospital charges, spouses and children of active duty Servicemembers pay a set amount each day ($4.10 for Calendar Year 1977) or $25, whichever is greater.

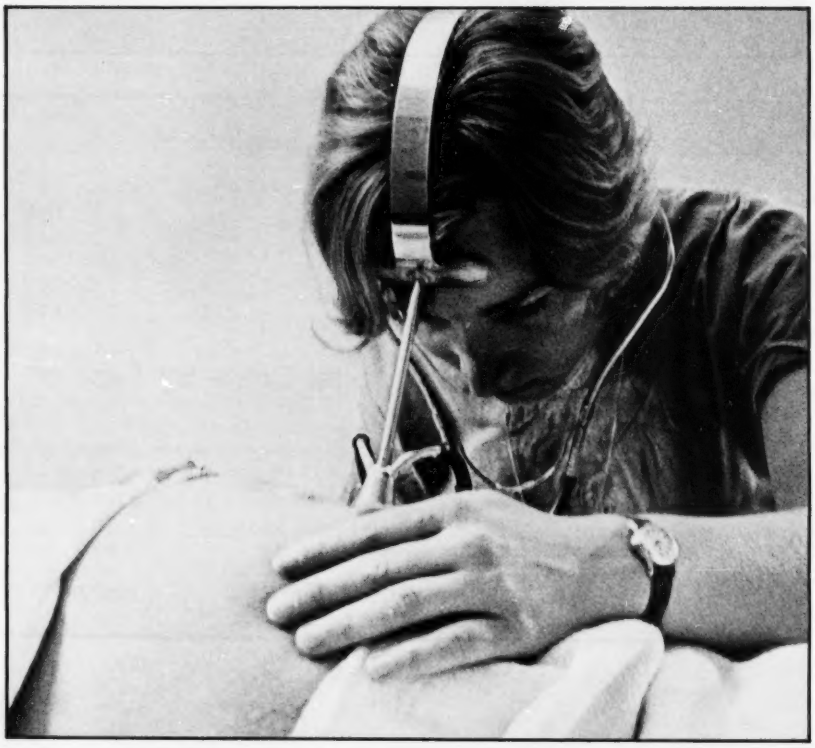
To give active duty Servicemembers a financial break, successive inpatient admissions for their spouses and children will be considered as one confinement in computing their share of inpatient charges, provided no more than 60 days have elapsed between admissions. There are two exceptions to this rule:

- successive inpatient admissions related to a single maternity care episode will be counted as one confinement regardless of the number of days that elapse between admissions, and
- a maternity admission and an admission related to accidental injury will be considered separate admissions and cost shared accordingly.

For retired Servicemembers, spouses and children of retired Servicemembers, surviving spouses and children of deceased active duty Servicemembers, and surviving spouses and children of deceased retired Servicemembers, CHAMPUS pays 75 per cent of allowable professional fees and allowable hospital charges for inpatient care.

There is no deductible for inpatient care.

Under CHAMPUS, maternity care starts when a woman becomes pregnant and continues through the end of the sixth week after the birth of her child.



Medical Care Usage by Beneficiary Category

	Military Medical Facilities	CHAMPUS
Average Number of Hospital Beds Occupied Daily		
Active duty	10,300	
Dependents of Active Duty	4,200	1,300
Retired	2,300	3,700
Dependents of Retired and Deceased	2,300	3,700
Average Number of Outpatient Visits Annually		
Active Duty	23,400,000	
Dependents of Active Duty	18,000,000	469,000
Retired	3,200,000	980,000
Dependents of Retired and Deceased	5,000,000	1,700,000

Proportion of CHAMPUS Expenditures by Category of Beneficiary

	Cents Per Each Dollar Spent	Costs (millions)
Dependents of Active Duty	53¢	$265.9
Retired	13¢	63.6
Dependents of Retired and Deceased	34¢	172.0
		$501.5

Maternity Cost-Sharing Special Rules. CHAMPUS will share the cost on an inpatient basis for all services and supplies related to a maternity care episode when an expectant mother plans to have her baby at a civilian hospital or similar medical facility. The only exception to this rule is ambulance service which is always cost shared on an outpatient basis.

An expectant mother who plans to have her baby in a civilian hospital or who otherwise needs inpatient care from a civilian source for her pregnancy must get a nonavailability statement if she lives within a 40-mile radius of a Uniformed Services hospital. If she does not get it, CHAMPUS cannot share any cost related to that maternity care episode.

When delivery is planned at home or in some other outpatient environment, the cost of all services and supplies related to the maternity care episode is shared on an outpatient basis.

An expectant mother who plans delivery on an outpatient basis is still encouraged to obtain a nonavailability statement (if she lives within a 40-mile radius of a Uniformed Service hospital) as soon as her pregnancy is established. Having obtained the statement will protect her from incurring expenses in connection with unforeseen inpatient maternity care.

"Unexpected" or "early" delivery is not evidence, in itself, of an emergency that would waive the nonavailability statement requirement.

A maternity care episode starts when a woman becomes pregnant and continues through the end of the sixth week after the birth of her child. Special maternity care cost-sharing provisions cover only this period of time. Thereafter, regular cost-sharing rules apply.

Complications of pregnancy will be cost-shared on the same basis as the related maternity care. When inpatient delivery is planned, they will be shared on an inpatient basis; when outpatient delivery is planned, they will be shared on an outpatient basis.

Allowable Charge

CHAMPUS sets an allowable charge for every service and supply beneficiaries receive from individual providers such as physicians. An allowable charge is set by geographic area and, in some cases, also by type of provider. Consequently, an allowable charge for a specific service or supply is not the same for all areas.

Three factors are considered in setting an allowable charge. They are:

- the actual billed charge
- the usual charge of the individual provider rendering the medical service and/or supply, and
- the prevailing charge of similar providers for the same service and/or supply in the geographic area where it was provided.

The lowest of these is the allowable charge. It is known as the CHAMPUS-determined reasonable charge, or simply, reasonable charge.

(**NOTE:** Usual and prevailing charges are based on actual bills recorded during the calendar year previous to the date on which a particular maximum allowable charge is put into effect. The last update of maximum allowable charges went into effect on July 1, 1976, and a new update will go into effect on July 1, 1977.)

The allowable, or reasonable, charge includes both the beneficiary's share and the Government's share.

An individual provider may agree to accept payment of the CHAMPUS-determined reasonable charge as payment in full, even though his billed charge for the service or supply is more than the reasonable charge. He or she makes this

Preauthorization

Certain services and supplies must be approved in writing by CHAMPUS before they are received in order for CHAMPUS to share the cost. This is called preauthorization. It is required primarily in those circumstances where there are program limitations regarding services and supplies that might not qualify under CHAMPUS. The purpose of preauthorization is to afford financial protection for beneficiaries.

Preauthorization is required for all benefits under the Program for the Handicapped. Under the basic program, it is required for cosmetic, reconstructive and/or plastic surgery, dental care, and inpatient admission to a residential treatment center (RTC) or any institution classified as a special treatment facility (STF). (**NOTE:** Preauthorization may also be required for admission to a skilled nursing home. However, this procedure will not go into effect until next year.)

Preauthorization is valid for 90 days after it is issued unless otherwise indicated. The written approval will show how long the preauthorization is valid, what it covers, and any special requirements.

A separate preauthorization request is required for each cosmetic surgery procedure, for each incident of dental care, for each inpatient admission to an RTC or STF, and for each service or supply furnished under the Program for the Handicapped—even when related to an ongoing medical condition.

agreement by signing the CHAMPUS claim form. A beneficiary is then responsible only for his or her share of the reasonable charge.

When the individual provider does not agree to accept payment of the CHAMPUS-determined reasonable charge as payment in full, the beneficiary must make a decision. He or she can find a provider who will agree to accept payment of the reasonable charge as payment in full. Or, the beneficiary can use the provider who will not agree to this, with the understanding that he or she—the beneficiary—is responsible not only for his or her share of the reasonable charge but also for any difference between the reasonable charge and the actual charge.

(NOTE: A beneficiary should determine before receiving a service or supply that the provider will accept payment of the reasonable charge as payment in full. Also, it is important to remember that it is the provider's signature on the claim form that counts—a verbal agreement is not binding.)

Responsibility for Other Costs

Beneficiaries are responsible for all costs incurred for services and supplies that are not included as part of the CHAMPUS benefits package.

SUBMITTING CLAIMS

No benefit can be paid under CHAMPUS until a claim containing all of the required information has been submitted. This is essentially the beneficiary's responsibility.

Two forms currently are used for submitting most claims under the CHAMPUS Basic Program. One—a blue DA Form 1863-1 ("Services and/or Supplies Provided by Civilian Hospitals")—is used to submit claims for hospital charges and charges of similar institutions. The other—a yellow DA Form 1863-2 ("Services and/or Supplies Provided by Civilian Sources (Except Hospitals)")—is used to submit claims for services or supplies received from physicians and other individual providers.

All CHAMPUS claim forms are scheduled for revision later this year. Beneficiaries will be advised when the change occurs.

Beneficiaries should fill out Section I, the first 13 items, on either claim form. These items should be filled out completely, properly, and legibly. An incomplete form or one that is filled out improperly will be returned. This, of course, delays payment.

Each claim form must be signed in Item 13 by the beneficiary if he or she is 18 years of age or older. The sponsor or other responsible adult must sign for an individual under 18 years of age. This certifies that the patient identification information is correct and that the specific medical care for which benefits are being claimed was actually rendered to the patient on the date(s) indicated. The signature also authorizes the release of medical records and information to the CHAMPUS contractor and OCHAMPUS and certifies the accuracy of double coverage information and authorizes the release of any information related to double coverage.

The new CHAMPUS regulation requires that all beneficiaries submit information about double coverage—that is, coverage for medical benefits provided through another plan, insurance and/or program, either private or government. This provision will go into effect on June 1, 1977. Since the present claim forms do not have appropriate spaces, this information should be provided on a separate piece of paper and attached to the claim form. It must include:

- full name and address of the double coverage plan and/or insurance;
- source of double coverage such as employment, private purchase, membership in a group, or law;
- name and address of employer if double coverage is provided through employment, and

• identification number and/or group number of other coverage.

If an individual provider or institutional provider is to submit the claim, the provider fills out Section II. A provider does not have to sign Section II. If, however, the signature does appear, the provider has agreed to accept payment of the CHAMPUS-determined reasonable charge as payment in full. The signature also certifies that the specific medical care listed on the claim form was, in fact, rendered to the specific beneficiary for which benefits are being claimed, on the specific date(s) indicated.

If the beneficiary is going to submit the claim, itemized bills—paid or unpaid—or itemized receipts should be attached to the claim form. The beneficiary, however, can ask the provider to fill out Section II even if the beneficiary is going to submit the claim.

Once the claim form has been completed, it should be sent to the CHAMPUS contractor that processes claims for the area where the care was received. For most areas, the same organization processes both professional and institutional claims.

A CHAMPUS advisor can be consulted for the name and address of the organization that processes CHAMPUS claims for the area where care was received, or, one can write to OCHAMPUS, Denver, Colorado 80240.

There is a deadline for submitting CHAMPUS claims. It is the last day of the calendar year following the calendar year in which the care was provided. For example, claims for care provided during Calendar Year 1977 must be submitted no later than Dec. 31, 1978.

Program for the Handicapped

The CHAMPUS Program for the Handicapped provides special benefits for handicapped spouses and children of active duty Servicemembers who meet qualifying criteria. The surviving spouse and children of a deceased active duty Servicemember may continue to receive benefits they were receiving at the time of the Servicemember's death, up to age 21, if the Servicemember died while eligible for hostile fire pay or from an illness or injury incurred while eligible for such pay.

The Program for the Handicapped is unique to CHAMPUS. It was set up by Congress during the mid 1960s to assist active duty Servicemembers with handicapped dependents who were unable to obtain services from the state where they were living because they did not meet residency requirements.

According to the law under which CHAMPUS operates, a beneficiary must have a serious physical handicap or must be mentally retarded to a degree that is considered moderate or severe to qualify for the Program for the Handicapped.

Before an individual will be considered for benefits under the Program for the Handicapped, certain general criteria must be met.

One criteria is that the condition must be expected to result in death or it must have lasted for at least 12 months or it must be expected to last for at least 12 months, and the other is that the condition must keep the individual from engaging in activities of daily living expected of unimpaired individuals in the same age group.

Once these general criteria are met, a determination is made as to whether the condition is currently serious enough to qualify under the Program for the Handicapped.

The new CHAMPUS regulation establishes definitive criteria for determining whether an individual is moderately or severely retarded. It also sets forth clinical indications to determine whether an individual has a serious physical handicap. More liberal criteria for qualifying as a serious physical handicap are set forth for a child with a sight or hearing problem who has not reached age seven.

Benefits available under the Program for the Handicapped include diagnosis, rehabilitation, training, special education, institutional care, durable equipment and certain transportation. Such services may be rendered on either an inpatient or an outpatient basis.

An important thing to know about the Program for the Handicapped is that all services and supplies must be approved by CHAMPUS before they are received (preauthorized). Services or supplies received before preauthorization is granted will not be cost-shared.

There is one exception to this rule. Preauthorization is not necessary for repair of, or replacement parts for, durable equipment purchased under the program, when the cost of either is under $50.

Only facilities within the United States are authorized under the Program for the Handicapped. Also, travel outside of the United States will not be authorized nor will excursions, even when part of an approved program offered by a facility within the United States.

Cost-sharing under the Program for the Handicapped is quite different from cost-sharing under the Basic Program of CHAMPUS.

WHO'S NEWS IN DEFENSE

APPOINTMENTS

Columbia University professor **Dr. Lynn E. Davis** as Deputy Assistant Secretary of Defense (Policy Plans and National Security Council Affairs). She has had prior Federal Government experience in the intelligence area. From March 1975 to April 1976, Dr. Davis served on the professional staff of the United States Select Committee on Intelligence. She also was a member of the United Nations Association Conventional Arms Control Panel, and has served as a consultant to the National Security Council on SALT and strategic issues.

Missouri florist and Army Reserve **Maj. Gen. Marvin H. Knoll** of St. Louis, Mo., to a three year term on the 21-member Reserve Forces Policy Board, a statutory body serving as the principal policy adviser to the Secretary of Defense.

REASSIGNMENTS

Maj. Gen. Benjamin N. Bellis, USAF, Commander, Seventeenth Air Force (USAFE), to Commander, Sixth Allied Tactical Air Force (SHAPE), and promotion to lieutenant general.

SWORN INTO OFFICE

John P. White, 40, of Malibu, California, on May 12, 1977 as Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics). A PhD. in economics from Syracuse University (1969), White is also schooled in industrial and labor relations at Cornell University. He was on active duty as a first lieutenant in the Marine Corps 1959-1961. He comes to DoD from the Rand Corp. in Santa Monica, California, where he was senior vice president.

RETIREMENTS

VADM Edwin K. Snyder, USN, Commander, U.S. Taiwan Defense Command, to retire in grade on August 1, 1977.

Under the Program for the Handicapped, the beneficiary pays a monthly share which is based on the pay grade of the active duty Servicemember as shown here:

E-1, E-2, E-3, E-4 & E-5	$25
E-6	$30
E-7 & O-1	$35
E-8 & O-2	$40
E-9, W-1, W-2 & O-3	$45
W-3, W-4 & O-4	$50
O-5	$65
O-6	$75
O-7	$100
O-8	$150
O-9	$200
O-10	$250

CHAMPUS then cost-shares up to a maximum of $350 per month. Any additional amount over and above the $350 limit is again the responsibility of the beneficiary.

All services and supplies required for the handicapping condition will be shared under the Program for the Handicapped.

Necessary medical care that is not related to the handicapping condition—is not part of an approved management plan or a routine part of institutional benefits approved under the Program for the Handicapped—will be considered under the Basic Program of CHAMPUS.

Under the Program for the Handicapped, durable medical equipment may be purchased. Additional information about the requirements for durable medical equipment are discussed under benefits for the Basic Program.

The new CHAMPUS regulation has a provision that is of particular interest to active duty Servicemembers when they are reassigned.

When a beneficiary is receiving care at an inpatient facility under the Program for the Handicapped and his or her sponsor is reassigned to another location within the United States, the sponsor must determine whether public facilities are available at the new location.

A sponsor has 60 days to make this determination after reporting to a new duty assignment. If determination is not made by the end of 60 days, coverage under the Program for the Handicapped will end on the 61st day.

Even where it is determined that public facilities are available at the new location, CHAMPUS may authorize a handicapped dependent to remain at the original facility until the end of the school year, based on the merits of the individual case.

COVER: A patient receives treatment at a tumor clinic.

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